



October 2003

Missouri Producer

Missouri Farm Service Agency

Parkade Center, Suite 225
601 Business Loop 70 W
Columbia, MO 65203

Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

State Committee

Don Fischer, Chairman
Fred Ferrell
Julie Hurst
Craig Westfall
Barbara Wilson

Staff

Patty Dick, Administration
Dan Gieseke, Farm Loans
Bo Wendleton, Compliance
Gerald Hrdina, Conservation
Maurine Long, Price Support
Max Sell, Production Flexibility

2003 Direct and Counter-Cyclical Program

DCP Contract Changes Sept. 30, 2003, is the final date to update and sign 2003 DCP contracts to reflect changes that have occurred on farms during the 2003 crop year. This includes owner, operator or share changes that have occurred since the original 2003 contract was signed. To meet program requirements, contracts must be revised to reflect the risk in crop production on base acreage. Failure to revise contracts will result in an invalid DCP contract and require the refund of all DCP payments for the year.

2003 DCP Final Direct Payments Starting about Oct. 1, the county office staff will begin issuing final direct payments. Final payments represent the second half of the 2003 direct DCP payments. Advance payments were issued after sign up if requested.

Crop	Total Rate	Advance Rate	Final Rate
Wheat	\$.52/bu	\$.26/bu	\$.26/bu
Barley	\$.24/bu	\$.12/bu	\$.12/bu
Oats	\$.24/bu	\$.12/bu	\$.12/bu
Corn	\$.28/bu	\$.14/bu	\$.14/bu
Grain Sorghum	\$.35/bu	\$.175/bu	\$.175/bu
Soybeans	\$.44/bu	\$.22/bu	\$.22/bu
Oilseeds	\$.008/lb	\$.004/bu	\$.004/bu

If an advance DCP direct payment was not issued, the total amount earned will be issued in the final payment.

2003 Counter-Cyclical Payments Secretary Veneman will announce the projected counter-cyclical payment rates for 2003 crops in the near future. Advance payments will be issued if they were requested at the time of sign up on the 2003 contract.

A 35 percent advance will be issued in October 2003. If applicable, a second 35 percent advance will be issued in February 2004 and the final counter-cyclical payments will be issued in July 2004 for wheat and oats and October 2004 for corn, sorghum, and soybeans.

2004 Direct and Counter-Cyclical Program Sign Up

Sign up for the 2004 DCP begins Oct. 1, 2003. Contact the county office staff to schedule an appointment to enroll your farm. When updating the 2004 contract,

Dates to Remember	
Today	Report changes to farming operation.
Sept. 30	Final date to sign up for 2003 DCP with the \$100 late fee
Oct. 1	Sign up begins for 2004 DCP
Oct. 13	Columbus Day Federal Holiday
Nov. 11	Veterans Day Federal Holiday
Nov. 18	County committee election ballots mailed to voters
Nov. 21	Application deadline for Livestock Assistance Program
Nov. 27	Thanksgiving Day Federal Holiday
Dec. 1	Deadline to return ballots for county committee election
Continues	Farm Storage Facility Loans
Continues	Grasslands Reserve Program
Continues	MILC Program

you may elect to receive your advance direct payments any time from December 2003 through September 2004.

2004 Program Information

- Farm Changes – report any farming operation changes so that we can keep your records current. This includes changes in landownership, tenants or crop share arrangements.
- Plan to update your payment limitation documents and other program eligibility records starting in October 2004.
- Reconstitutions – changes that require farm reconstitutions should be reported as soon as possible so we can update your records prior to 2004 DCP sign up.

Direct and Counter-Cyclical Yield Reviews

FSA is in the process of completing a final review of production evidence to support program yields. Yields were established under the initial base and yield election process.

Farmers and landowners will be notified if they need to submit production records or additional documentation to substantiate oilseed yields and/or counter-cyclical yields for other crops.

The yield review will include final notification to producers on selected farms.

2001-2002 Crop Disaster Program

The county office staff continues to accept applications under the Crop Disaster Program. A final application date has not been announced, but do not delay. Come in and apply today.

To be eligible, a unit must have suffered a production loss of at least 35 percent in one of the years 2001 or 2002. The program also includes compensation for quality losses. To be eligible for a quality adjustment, a unit must have at least a 20 percent loss in quality on the affected crop in one of the years 2001 or 2002.

Marketing Assistance Loans, LDPs

Marketing assistance loans and loan deficiency payments can mean the difference between a good year and a not-so-good year. With that in mind, it's important to comply with the rules.

To be eligible for loans and LDPs, you must comply with conservation and wetland protection requirements; report how you use cropland acreage on the farm; have beneficial interest in the commodity on the date the loan or LDP is requested and, in the case of a loan, retain beneficial interest while the loan is

Selected Interest Rates for October 2003	
90-Day Treasury Bill	1.000%
Farm Operating - Direct	3.750%
Farm Ownership - Direct	5.875%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	3.875%
Sugar Storage Facility	5.000%
Commodity Loans 1996- Present	2.250%

outstanding; and ensure that the commodity meets CCC minimum grade and quality standards.

Beneficial interest means you retain the ability to make decisions about the commodity; are responsible for loss or damage to the commodity; and have title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan or LDP—even if you regain beneficial interest.

For commodities to be eligible for loans or LDPs, they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Starting with the 2003 crop, individuals and entities whose previous 3-year average adjusted gross income, or AGI, exceeds \$2.5 million are ineligible for LDPs and market loan gains unless they can show that at least 75 percent of their AGI comes from agriculture.

The 2002 Farm Bill set limits on payments a "person" can receive. The total of LDPs and market loan gains received by a producer is limited to \$75,000 for each crop year. That means \$75,000 for wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, dry peas, lentils and small chickpeas; and, \$75,000 for peanuts, wool, mohair and honey.

You do not have to participate in the Direct and Counter-Cyclical Program to be eligible for loans or LDPs.

Violating provisions of the loan and LDP program may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans and LDPs.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

NAP Deadline Approaching

The Non-Insured Crop Disaster Assistance Program (NAP) can soften financial losses caused by natural disasters, but only if you've applied for coverage and paid the application fee. The application deadline date for certain 2004 NAP crops is approaching.

NAP kicks in when natural disasters result in a catastrophic loss of production or prevented planting of an eligible crop. NAP coverage is equivalent to that provided Catastrophic Risk Protection Plan (CAT) insurance and is available for commercial crops or agricultural commodities produced for food or fiber for which CAT is not available. NAP coverage is not available for livestock.

Producers who already have coverage on 2003 NAP crops may choose to continue coverage on the same crops for 2004, if the applicable service fee is paid by the application closing date. A new CCC-471, application for coverage,

is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add or delete a crop from previous year's coverage or change crop shares must file a new CCC-471, with signatures, and pay the service fee.

Producers with 2003 NAP coverage must remember to complete the following to qualify for benefits:

Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.

File a Notice of Loss within 15 days of when the loss is apparent.

NAP application deadline is Dec. 1, 2003, for these crops: ■ grass ■ apples ■ asparagus ■ cherries ■ grapes ■ honey ■ plums ■ strawberries.

Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule. Spouses may not sign FSA-211s on behalf of each other or sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Spouses must have a power of attorney on file or sign personally for claim settlements, such as promissory notes, and on security documents for price support loans. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

A spouse's authority to sign documents on behalf of the other spouse does not entitle the spouse to review or receive agency records of the other spouse.

Loans for Socially Disadvantaged Applicants

The Farm Service Agency can make direct and guaranteed loans to socially disadvantaged applicants to buy and operate family-size farms and ranches. Funds for these loans are reserved each year.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

Direct loans may be made to applicants by FSA for both farm operating and farm

ownership loans. Guaranteed farm loans also may be made for ownership or operating purposes, and may be made by any lending institution subject to federal or state supervision (e.g., banks and units of the Farm Credit System) and guaranteed by FSA. FSA typically guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Persons who are primarily and directly engaged in farming and ranching on family-size operations may apply.

Socially disadvantaged loan applicants *do not* receive automatic approval. Individual applicants under this program must meet *all* requirements for FSA's regular farm loan program assistance.

Contact the staff at the county office or USDA Service Center for more information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotope, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).